

MARYLAND HIGHER EDUCATION COMMISSION

CODE OF MARYLAND REGULATIONS

13B.02.04

Exemption Procedures for Religious Educational Institutions

As amended through
October 28, 2013

This document contains a chapter of the Code of Maryland Regulations and has been prepared by the Maryland Higher Education Commission for the convenience of those persons served by the Commission. The official regulations published by the Division of State Documents, Office of the Secretary of State, are found at <http://www.dsd.state.md.us/comar/>. The official regulations should be consulted and are controlling in the event of any conflict between those regulations and this document.

TITLE 13B

MARYLAND HIGHER EDUCATION COMMISSION

SUBTITLE 02 ACADEMIC REGULATIONS

Chapter 04 Exemption Procedures for Religious Educational Institutions

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TITLE 13B

MARYLAND HIGHER EDUCATION COMMISSION

SUBTITLE 02 ACADEMIC REGULATIONS

Chapter 04 Exemption Procedures for Religious Educational Institutions

13B.02.04.01

.01 Purpose.

The purpose of this chapter is to establish the procedures by which the Commission determines the status of an institution of postsecondary education as a religious educational institution eligible for exemption from the approval authority of the Commission.

13B.02.04.02

.02 Scope of Exemption.

A. An institution of postsecondary education may obtain an exemption as a religious educational institution and operate without a certificate of approval from the Commission if the institution:

- (1) Is established for religious educational purposes;
- (2) Provides educational programs only for religious vocations or purposes;
- (3) Offers only sectarian instruction designed for and aimed at individuals who hold or seek to learn the particular religious faiths or beliefs taught by the institution;
- (4) Does not offer instruction in nonsectarian or general education; and
- (5) States on the certificate or diploma the religious nature of the award.

B. An institution that applies for exemption and that, at the time of application, does not hold a certificate of approval from the Commission may not operate, do business, or offer instruction unless and until the Commission grants the institution an exemption under this chapter.

13B.02.04.03

.03 Initial Application.

A. An institution seeking an exemption as a religious educational institution shall submit to the Secretary:

(1) An application and a financial statement, both in the form required by the Secretary;

(2) The accompanying documentation required by the Secretary, including the proposed catalog of courses, and evidence from the State Department of Assessments and Taxation that the institution is in good standing; and

(3) An application fee in the amount of \$250.

B. Adequate Financial Resources.

(1) An institution seeking an exemption as a religious educational institution shall demonstrate that it possesses adequate financial resources to support the institution's educational program.

(2) An institution shall submit a financial statement for the most recent calendar year, or if possible, the 2 most recent calendar years, compiled by an independent accountant, showing, at a minimum, that:

(a) The institution holds at least \$250,000 in total assets in Maryland; and

(b) The total assets of the institution exceed its total liabilities.

C. If the Secretary is satisfied on the basis of the materials submitted that the institution qualifies for exemption from the approval authority of the Commission, the Secretary shall grant the institution an exemption as a religious educational institution.

D. An exemption is valid for 2 years.

E. Upon granting an institution an exemption under this regulation, the Secretary shall designate the date on which the institution's first renewal application required by Regulation .04 of this chapter shall be submitted to the Secretary.

F. An exempt religious educational institution shall promptly notify the Secretary of any address change.

13B.02.04.04

.04 Renewal application.

A. Each religious educational institution granted an exemption under this chapter shall submit to the Secretary every 2 years:

(1) An application and financial statements, both in the form required by the Secretary;

(2) The accompanying documentation required by the Secretary, including the current catalog of courses, and evidence from the State Department of Assessments and Taxation that the institution is in good standing; and

(3) A renewal application fee in the amount of \$250.

B. Adequate Financial Resources.

(1) An institution seeking a renewal of its exemption as a religious educational institution shall demonstrate that it possesses adequate financial resources to support the institution's educational program.

(2) An institution shall submit a financial statement for the 2 most recent calendar years, compiled by an independent accountant, showing, at a minimum, that:

(a) The institution holds at least \$250,000 in total assets in Maryland; and

(b) The total assets of the institution exceed its total liabilities.

C. If the Secretary is satisfied on the basis of the materials submitted that the institution qualifies for renewal of its exemption from the approval authority of the Commission, the Secretary shall grant the institution an exemption as a religious educational institution.

D. A renewal of an exemption is valid for 2 years.

E. Upon granting an institution a renewal of its exemption under this regulation, the Secretary shall designate the date on which the institution's next renewal application shall be submitted to the Secretary.

13B.02.04.05

.05 Denial of Exemption.

A. Hearing.

(1) An institution denied an exemption under this chapter may request a hearing before the Commission.

(2) The hearing before the Commission shall be conducted in accordance with the Administrative Procedure Act, State Government Article, Title 10, Subtitle 2, Annotated Code of Maryland, and COMAR 13B.04.01.

(3) If the institution requests a hearing, the Commission may refer the hearing to the Office of Administrative Hearings.

(4) After the hearing provided for in §A(3) of this regulation, the Commission may take the following action:

(a) Grant the exemption;

(b) Deny the exemption; or

(c) Remand the case to the Secretary for further action as directed by the Commission.

(5) If the institution does not file a timely request for a hearing, the Secretary's decision becomes the final action of the Commission.

B. Judicial Review.

(1) An institution that is denied an exemption by the Commission after a hearing under §A of this regulation has the right to judicial review provided by State Government Article, Title 10, Subtitle 2, Annotated Code of Maryland.

(2) The decision of the Commission is considered correct and the institution has the burden of proving otherwise.

(3) The Commission shall be a party to the proceeding.

13B.02.04.06

.06 Notice to the Public.

A. A religious educational institution may not advertise that it is approved to operate in Maryland as an institution of postsecondary education.

B. An institution granted an exemption as a religious educational institution under this chapter shall post on its website and in all advertising the following statement:

"[Institution Name] is a religious educational institution operating in the State of Maryland pursuant to an exemption granted by the Maryland Higher Education Commission, without a certificate of approval from the Commission, as specified in the Code of Maryland Regulations 13B.02.04."